

POSSIBLE MOTION

I MOVE TO approve, as recommended by the Gary Paxton Industrial Park (GPIP) Board, the proposed adjustments to the GPIP Port Tariff Fee Schedule (Port Tariff #3).



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Tuesday, September 04, 2018

MEMORANDUM

To: Keith Brady, CBS Administrator
From: Garry White, Director
Subject: GPIIP Port Tariff Fee Schedule Adjustment

Introduction

The Gary Paxton Industrial Park (GPIIP) Board of Directors met on June 28th, 2018 and approved the following motion to adjust the GPIIP Port Tariff Fee Schedule:

MOTION: M/S: Jones/Finkenbinder Moved to recommend the City and Borough of Sitka Assembly approve to adjust the GPIIP Port Tariff Fee Schedule as presented by the GPIIP Director.

The GPIIP Director's proposed adjustments to the GPIIP Port Tariff Fee Schedule are listed below.

GPIIP Port Tariff

A Port Tariff is a document that contains published charges, rules, and requirements of the port. The Port Tariff is an implied contract that allows for rapid arrangements without the need for complicated agreements for use of the facility.

The GPIIP Port is a "landlord" Port, which means that the GPIIP will charge users for real estate and dock use and are responsible for maintenance, management and upkeep. The GPIIP Port Tariff covers all properties of the GPIIP uplands and tidelands.

The GPIIP Port Tariff covers general rules and regulations for use of the port. Additionally, the tariff covers the schedule of charges for use of the port, including docking, wharfage, etc...

Background

The GPIIP Board recommended and the City and Borough of Sitka Assembly approved the first GPIIP Port Tariff #1 in February 2018. The GPIIP Port Tariff #1 was drafted, with input by the GPIIP Director and GPIIP Board, by Parrish, Blessing, & Associates Inc. (PBA), a regulatory and economics consulting firm from Anchorage. PBA has experience in port tariff development having worked with the Port of Alaska (formerly port of Anchorage) on its port tariff development and financial management.

The GPIIP Board discussed the need to monitor the fee schedule and to adjust if need be over time when the tariff was established. The tariff (Port Tariff #2) was adjusted in July 2018 to accommodate incidental use of the facility and to lower wharfage rates to promote more use of the facility.

Based off conversations with users of the facility, the Director is proposing some adjustments to the fee schedule.

Proposed Adjustments to the GPIIP Port Tariff Fee Schedule (Port Tariff #3)

Below are the proposed changes:

Wharfage

1. Section 2 Definitions and Schedule of Charges – Item 254 Seine Skiffs

Propose to change the Wharfage rate for Seine Skiffs to include Bait Sheds and Nets on Pallets

<u>Commodity</u>	<u>Wharfage Rate (in Dollars)</u>
Item 254 Seine Skiffs/Bait Sheds/Nets on Pallets	\$35/Skiff

Rationale: There is an identified request to move all three items over the dock. Current tariff does not classify items, which would require items to be classified as N.O.S. freight and be charged by weight. A flat fee is a more efficient fee structure.

Terminal Storage

2. Section 2 Definitions and Schedule of Charges – Terminal Storage

A section (page 45) has been added to the tariff to allow for storage of fishing equipment and miscellaneous gear on GPIIP raw property. The GPIIP Board has identified lots 9c and 15 as appropriate locations for storage.

The proposed rates structure is the following:

1. Fishing Nets on 8'x12' pallets:
 - \$1,000/year
 - \$125/month for raw property (2 month minimum, paid up front)
 - \$250/month for storage on dock.
2. Bait Sheds and Misc. gear stored in 20' x 20' area (minimum size)
 - \$0.60/SF/month or \$240/month (2 month minimum, paid up front)

Rationale: A local business has stated that they will be moving out of the storage business of fish gear which has generated the interest at the GPIIP property, in addition to the new GPIIP Dock.

The GPIIP Director has contacted the local business and is recommending the rate structure used by the business this past winter.

Action

- Assembly approval of the proposed adjustments to the GPIIP Port Tariff Fee Schedule (Port Tariff #3).